

NiSource Pipeline Group

RM01-10 Technical Conference Comments to Information Disclosure Panel May 21, 2002

No Conduit Rule

- Positive changes from NOPR in Staff White Paper:
 - exempts holding/service companies from Energy Affiliate definition
 - applies no conduit rule to shared service companies and shared officers/directors
- Rule also adopts automatic imputation rule—unclear as to scope
- Confusion created by focusing on corporate entities alone, rather than also examining the nature of employee roles and information
- NiSource proposal—control information disclosure through definition of “transmission function employee,” where access to commercially sensitive transportation information about the affiliated pipeline creates potential harm—prevent misuse of information by these employees through automatic imputation rule
- Non-transmission function employees may only misuse information by sharing with others; no conduit rule provides sufficient protection

Sharing of Operational Information

- White paper recognizes need to share certain information between affiliated interconnecting parties; requests comments on defining permissible operational information
- Restricting category of shared information to that required for reliability is potentially overly restrictive

- Operational information should be defined through general principle—the types of operational information needed to maintain normal operating conditions, which are shared between interconnected parties in the normal course of business, whether affiliated or non-affiliated
- Examples of information:
 - Nomination/confirmation data
 - Operational data related to interconnection points (such as pressure and gas quality)
 - Measurement and regulation data
 - Communications related to testing, inspection and maintenance of interconnection facilities
 - Monitoring and performance under balancing agreements with interconnected party

Proposed Regulatory Text Section 358.5(a)

(3) A shared Non-Transmission Function Employee may receive Transmission Information, provided that the shared employee may not act as a conduit for communications prohibited under this subpart.

(4) A Transmission Provider may provide Operating Information to an employee of an interconnected Energy Affiliate, provided that no employee of an Energy Affiliate may act as a conduit for communications prohibited under this subpart.

(5) Shared Transmission Function Employees are subject to an automatic imputation rule with respect to Transmission Information.

Terms to be defined in regulations: Transmission Information, Transmission Function Employee, Non-Transmission Function Employee, and Operating Information